

## Message Text

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ORIGIN EA-02

INFO OCT-01 ISO-00 EUR-02 /005 R

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DRAFTED BY: EA/J:HLEVIN:FIN

EXT.23142:10/15/73

EA/J:MR. ERICSON

CLEARANCES:EUR-MR. HOPPER

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R 142238Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 204304

THE FOLLOWING TEL FROM LONDON DATED OCT 13, 73  
TO SECSTATE WASHDC INFO AMEMB'S BONN PARIS ROME  
THE HAGUE EC BRUSSELS OECD PARIS IS REPTED:

QTE C O N F I D E N T I A L LONDON 11876

E.O. 11652: XGDS-1

TAGS: ENRG, OECD

SUBJECT: OPEC NEGOTIATIONS: HMG SUPPORT FOR OECD HIGH  
LEVEL GROUP MEETING

1. SPAIN (DTI) AND TAYLOR (FCO) CALLED TO INFORM US THAT  
HMG IS CONSIDERING SENDING HIGH LEVEL MESSAGE TO USG  
CONCERNING OPEC NEGOTIATIONS. MESSAGE AS SENT TO  
MINISTERIAL LEVEL INCLUDES REFERENCE TO HMG SUPPORT,  
ALREADY CONVEYED TO HLG CHAIRMAN WANSINK, FOR SPECIAL  
OECD HIGH LEVEL GROUP MEETING.

2. HMG OFFICIALS EXPECT BILATERAL INDUSTRY AND  
GOVERNMENT TO GOVERNMENT CONTACTS WILL PROVIDE MAIN  
CONSUMER COUNTRIES WITH NECESSARY INFORMATIONAL  
BACKGROUND ON OPEC NEGOTIATIONS. THEY ENVISAGE SPECIAL  
HLG MEETING CALLED AT WANSINK'S INITIATIVE AS SERVING  
SUPPLEMENTARY EDUCATION AND CONSULTATIVE PURPOSE.

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WHILE UNDER NO ILLUSION THAT RESULT OF HLG DELIBERATIONS

WOULD BE CONSENSUS ON MORE THAN FEW POINTS, HMG BELIEVES MULTILATERAL EXCHANGE OF VIEWS WOULD BE USEFUL TO OUR RESPECTIVE GOVERNMENTS AND TO OIL INDUSTRY IN SUBSEQUENT DECISION-MAKING PROCESS AND CONDUCT OF NEGOTIATIONS. HMG SUGGESTS, FOR EXAMPLE, THAT A SOLID ECONOMIC ANALYSIS (BY HLG MEMBERS THEMSELVES, NOT BY OIL COMPANIES) OF ECONOMIC EFFECTS OF \$6 A BARREL OIL ON CONSUMERS (IN TERMS OF BOP AS A STARTER) AND PRODUCERS (IN TERMS OF INFLATION REFLECTED IN COSTS OF MANUFACTURED GOODS) MIGHT HAVE SOBERING EFFECT ON ALL PARTIES CONCERNED.

3. HMG ACKNOWLEDGES THAT SUGGESTED HLG CONSULTATION ON INDUSTRY NEGOTIATING TERMS OF REFERENCE WOULD BE UNPRECEDENTED. BUT IT IS ARGUED THAT GREATER CONSUMER GOVERNMENT INVOLVEMENT IN NEGOTIATING PROCESS IS INEVITABLE AND, COMPARED WITH ALTERNATIVES, US AND UK ARE BETTER OFF TRYING TO CHANNEL THIS PROCESS AT LEAST IN PART INTO OECD HLG.

4. HMG BELIEVES WE SHOULD BE FAIRLY RELAXED IF NOT OPEN ABOUT DISCUSSING OPEC NEGOTIATIONS AT HLG. AT SAME TIME, IN ORDER TO MINIMIZE "CONFRONTATION" ASPECT, AGENDA FOR SPECIAL MEETING SHOULD INCLUDE PROTECTIVE COLORING OF OTHER SUBJECTS, SUCH AS GENERAL SUPPLY SITUATION AND PROGRESS ON SHARING. FACT THAT HLG MACHINERY ALREADY EXISTS, IS ACCEPTED BY ALL AND MEETS FAIRLY FREQUENTLY AND CONFIDENTIALLY SHOULD MAKE SPECIAL MEETING COMPARATIVELY INCONSPICUOUS. LEVEL OF REPRESENTATION AT HLG WOULD OF COURSE BE UP TO INDIVIDUAL MEMBERS, ALTHOUGH HMG SEES NO REAL NEED TO ESCALATE ABOVE OFFICIALS NORMALLY PRESENT.

5. TAYLOR REPORTS GERMANS HAVE JUST SAID THEY WOULD AGREE TO SPECIAL MEETING AND INFORMED HMG DUTCH AND JAPANESE ALSO WILLING TO MEET.

ANNENBERG

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**TAGS:** ENRG, UK, OECD, OPEC  
**To:** TOKYO  
**Type:** TE  
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